

BAY STATE TRANSPORTATION LEAGUE.

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A BILL

TO INCORPORATE THE

BOSTON AND CHICAGO

Railway Trust Company,

TO BE PRESENTED TO THE

MASS. LEGISLATURE

OF 1875.

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BOSTON:  
PRESS OF ROCKWELL AND CHURCHILL,  
No. 39 ARCH STREET.  
1874.

At a special meeting of the Board of Managers of the Bay State Transportation League, held at their rooms December 8, 1874, the following vote was passed : —

*Voted*, "That the Board of Directors be requested to draft a bill to be presented to the next Legislature, which shall be in conformity with the views embodied in the address of the League to the people of the State of Massachusetts, dated September 2, 1874, which shall be reported to the managers for their approval at a special meeting called for that purpose."

At a special meeting of the Board of Managers held at their rooms December 22, 1874, the following report was accepted and adopted. It was also voted : —

"That the bill be referred back to the Board of Directors, and they are hereby authorized to obtain the approval of the members of the Board of Managers, and the approval, also, of the first legal, financial and mercantile ability of this city to the same, and when their certificates are obtained, the Board of Directors are requested to make such arrangements for printing and publication as in their discretion they shall deem expedient: *provided*, that the bill may not be printed until three-quarters of the members of the Board of Managers shall have assented."

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## REPORT.

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*To the Board of Managers of the Bay State Transportation League:—*

GENTLEMEN,—In accordance with your vote passed the 8th instant, the Board of Directors have the honor to submit the following report:—

The State should convey all its right, title and interest in and to the ownership of the Southern Vermont Railroad, the Hoosac Tunnel, the Troy and Greenfield Railroad, and any contracts it may have entered into on account of the said property, to a public corporation, to be created by itself, and should receive in full compensation therefor \$6,000,000 in the stock of this public corporation at par.

The remaining part of the line may be formed by taking and completing the Massachusetts Central Railroad from Shelburne Falls to a junction with the Boston and Lowell Railroad three miles out of Boston. A contract can be made with the Boston and Lowell by which the terminal facilities now possessed by that corporation may be made available to this line by the payment of \$1,000,000, or a rental not exceeding \$70,000. The line of road from Waltham to Northampton has more than two-thirds of its grading and bridging for a single track completed. To accomplish this work there has been expended by the Massachusetts Central Company \$2,782,291.52. Of this amount \$1,754,676.93 has been furnished in

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payment for capital stock, mainly by the towns upon the route.

The distance from Boston by way of this route to Shelburne Falls is 117 miles. It will cost to complete this line with steel rails to a junction with the Boston and Lowell Railroad \$3,000,000, thus making the Massachusetts Central cost \$5,782,291.52. To this should be added the \$1,000,000 to be paid to the Boston and Lowell Railroad for its three miles of track, making the line from Boston to Shelburne Falls by this route cost \$6,782,291.52, exclusive of equipment.

If the stock of the Boston and Lowell Railroad should be purchased, allowing \$120 for each \$100 of capital, that road would cost \$3,840,000. This, added to the cost of the Massachusetts Central as above, will make the cost of the entire property \$9,622,291.52. This will be subject to the net debt of the Boston and Lowell, which is \$1,808,773.08. This added, will make the entire cost of the property, freed from all debt, \$11,431,064.60. This will carry the control of the Lowell and Lawrence, the Lowell and Salem, and several other small branches. The gross receipts of the Boston and Lowell for the year 1874 were \$1,305,840.45.

The Lowell charter is peculiar in that the State has not reserved to itself the right to take the property by paying therefor a certain fixed sum. If, therefore, we wish to purchase this property we must offer for it such an amount as will make it for the interest of the stockholders to sell. It was shown in evidence before the Railway Committee of 1873, at their fifteenth hearing on the Hoosac Tunnel ques-

tion, that the value of the real estate outside of the location of this corporation, including stocks owned by them in other roads, at a fair valuation, amounted to \$3,669,002; embracing an aggregate of over 75 acres. Therefore, the valuation fixed as above upon the shares of this corporation can be considered as no more than equitable.

If the Fitchburg Railroad should be taken under the provisions contained in its charter, it will cost, to purchase that road, \$8,500,000. As shown before the Railway Committee, Feb. 20, 1873, this corporation has expended upon its property nearly \$1,500,000 from its earnings; which, if it had been divided among the stockholders, would have diminished the contract price for the property by that amount. The real estate and wharf property owned by this corporation, outside of their location, as shown at the same hearing, is between 30 and 40 acres. The above purchase will carry the lease in perpetuity of the Vermont and Massachusetts at six per cent. on \$3,880,439, which represents the capital stock and debt of the Vermont and Massachusetts, making the cost of this line \$12,380,439, or \$949,374.40, more than the Massachusetts Central and Lowell line. The gross income of the Fitchburg Railroad for the year 1874 was \$1,648,257. This includes the income of the Vermont and Massachusetts. The distance from Boston to Shelburne Falls by this route is 119 miles.

The terminal accommodations of the Lowell line for a through passenger business are more extensive and useful than those of the Fitchburg by at least \$1,200,000. If distance, grades, curves, cheapness and public accommodation were the only considera-



tions in the formation of the line, the Lowell and Massachusetts Central must inevitably be the one chosen; but the fact should be taken into account that by the adoption of this line as a State road, with its guaranty at a low rate of interest, great hardship will be worked to the other line, which would at once force them to their reserved rights under the contracts made with the Troy and Greenfield Railroad and the State, in order to protect themselves, which contracts would either have to be bought off or repudiated by the State.

Inasmuch as the Fitchburg and Vermont and Massachusetts line and the original Troy and Greenfield Railroad, which is but a continuation of the Tunnel, have been built in good faith, with money actually put into the property by our own citizens, it is but an act of justice to them, and one involving the honor of the State, that their interests should be protected in the formation of this consolidated line. The same argument in part would apply to the stockholders and creditors of the Massachusetts Central, if the Fitchburg line should be chosen alone.

In case the Fitchburg line should be taken, their passenger station is entirely inadequate to the accommodation of a great through line to the West; and the same may be said in reference to their freight accommodations.

Under the circumstances, the properties of all these roads named above should be taken to make the consolidated line from Boston to the State line of New York, as this will provide adequate terminal accommodations for the present and future, without any further investment of capital in unproductive property.

This will also solve another great and important public want, viz. : the abolition of the grade-crossing of the Fitchburg, Maine and Eastern roads with their passenger trains, by enabling the consolidated company to make such trades with the Eastern Railroad as will effect this object. In a joint report to the Legislature in the year 1870, by the Harbor and Railway Commissioners, an expenditure of several millions was advised to accomplish this purpose, which can now be accomplished without any unnecessary investments. It will also give the consolidated line the means of accommodating Lowell, Lawrence and Salem, without the intervention of any other corporation, a result greatly desired by the public.

The present and prospective income of this consolidated line, when complete, from its local business, together with the guaranty of the State and its entire freedom from debt, will give it pecuniary strength requisite to command money and to hire the various lines necessary to form a road to Lake Ontario and Chicago.

The consolidated line should, therefore, be composed of the Southern Vermont, the Troy and Greenfield and Hoosac Tunnel, the Massachusetts Central, the Boston and Lowell, the Vermont and Massachusetts, and the Fitchburg Railroads, and will cost, with the above properties in their present condition, as follows: —

Southern Vermont, Hoosac Tunnel and Troy and					
Greenfield Railroad	.	.	.	.	\$6,000,000 00
Massachusetts Central	.	.	.	.	2,782,291 52
Boston and Lowell	.	.	.	.	5,648,773 08
Vermont and Massachusetts	.	.	.	.	3,880,439 00
Fitchburg	.	.	.	.	8,500,000 00
					<hr/>
					\$26,811,503 60



Which, at 6 per cent. interest, would require a net earning annually of \$1,608,690.22.

If the above lines were now consolidated, incomplete as they are, the net earnings of the property the past year, exclusive of taxes, would have paid over  $3\frac{1}{3}$  per cent. on the entire investment as above.

It will cost to single track the Massachusetts Central to Shelburne Falls . . . . .	\$3,000,000
It will cost to double track the same an additional . . . . .	2,000,000
It will cost to straighten and double track the Ver- mont and Massachusetts . . . . .	3,000,000
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	\$8,000,000

Which added to the above cost equals \$34,811,503.60.

It was shown in evidence before the Railway Committee of 1873, that by the union of the Lowell and Fitchburg an annual saving could be effected of an amount equal to 5 per cent. on their gross receipts, which would have amounted the past year to \$147,704.87.

When the line shall have been completed, as contemplated above, it is no more than reasonable to estimate an annual net income, exclusive of taxes, from local business, of over  $4\frac{1}{2}$  per cent. on this capital, exclusive of any business from the State of New York or the West.

The consolidated line will have a mileage of completed railway, double-tracked, as follows: —

Boston and Lowell . . . . .	26 miles.
Massachusetts Central . . . . .	114 “
Boston to State Line, via Fitchburg . . . . .	156 “
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	296



And a mileage of single track, as follows:—

Lexington Branch	.	.	.	.	.	9.25 miles.
Woburn Branch	.	.	.	.	.	2.00 “
Stoneham Branch	.	.	.	.	.	2.50 “
Mystic Branch	.	.	.	.	.	2.25 “
Amherst to Northampton	.	.	.	.	.	7.00 “
Watertown Branch	.	.	.	.	.	6.60 “
Lancaster and Sterling Branch	.	.	.	.	.	12.42 “
Peterborough and Shirley Railroad	.	.	.	.	.	23.62 “
						<hr/> 65.64

In addition to the above, the consolidated company will have a controlling interest in the following, viz.:—

Lowell and Lawrence R. R.	.	.	.	.	13 miles.
Salem and Lowell R. R.	.	.	.	.	16 “
Middlesex Central	.	.	.	.	7.98 “
					<hr/> 36.98

The first point of additional expense to be incurred, in procuring terminal facilities for the Fitchburg line equal to those now possessed by the Lowell, is the construction of a passenger station equal in extent and accommodation to the one now occupied by the Lowell Railroad, and the purchase of the necessary lands therefor. This will cost at least \$750,000. The additional expense of approaching the station in consequence of crossing the tracks of the Boston and Maine and Eastern Railroads at grade, with the delays and damages arising therefrom, to the passenger business alone, will be equal to an outlay of at least \$500,000.

In order to get the lands necessary for the standing ground, on which to make up trains, together

with the requisite ground for freight-stations and wharf accommodations, that shall equal those furnished by the Lowell road, an expenditure of at least \$2,000,000 will be required; and, when done, there will still remain the delay in crossing the Maine and Eastern Railroads, which, at the present time, causes great inconvenience to the immense local travel of Essex County, and which, as the freighting business increases in the future, will become intolerable.

This can only be obviated by the expenditure of a very large sum of money, which may safely be estimated by millions, or by a union of the Lowell and Fitchburg roads.

These amounts, added to the cost of the Fitchburg line, as given in a former report — \$12,380,439 — will make the cost of this line \$15,630,439. To this should be added the cost of the thirteen miles of the Troy and Greenfield Railroad, from Greenfield to Shelburne Falls, which, estimated at \$35,000 per mile, amounts to \$455,000, making the cost of this line \$16,085,439, exclusive of grade crossings.

In instituting a comparison between the all-rail routes between New York and Chicago and Boston and Chicago, those now operated in connection with the New York Central and Hudson River Railroads have been selected, as being regarded at present as the best routes from New York to Chicago. These are: —

1. *NEW YORK CENTRAL, VIA BUFFALO, TO CHICAGO.*

New York Central to Buffalo, *via* N. Y. Central and

Hudson River R. R.	440 miles.
Buffalo to Chicago, <i>via</i> L. S. and M. S. R. R.	540 "
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	980 "



## Costing, —

New York Central and Hudson River R. R. . . . .	\$129,428,300
Lake Shore and Michigan Southern . . . . .	90,000,000
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	\$219,428,300

2. *NEW YORK CENTRAL, VIA SUSPENSION BRIDGE, TO CHICAGO.*

New York to Suspension Bridge, <i>via</i> N. Y. Central and Hudson River R. R. . . . .	447 miles.
Suspension Bridge to Detroit, <i>via</i> Great Western . . . . .	229 “
Detroit to Chicago, <i>via</i> Michigan Central . . . . .	284 “
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	960 “

## Costing, —

New York Central and Hudson River R. R. . . . .	\$129,428,300
Great Western of Canada . . . . .	35,000,000
Michigan Central . . . . .	31,316,607
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	\$195,744,907

Boston's rail lines to Chicago, present and proposed, are:—

1. *BOSTON AND ALBANY, VIA BUFFALO, TO CHICAGO.*

Boston to Albany, <i>via</i> Boston and Albany R. R. . . . .	201 miles.
Albany to Buffalo, <i>via</i> N. Y. Central and Hudson River R. R. . . . .	297 “
Buffalo to Chicago, <i>via</i> Lake Shore and Michigan Southern R. R. . . . .	540 “
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	1,038 “

## Costing, —

Boston and Albany R. R. . . . .	\$28,212,664
New York Central and Hudson River R. R. . . . .	129,428,300
Lake Shore and Michigan Southern R. R. . . . .	90,000,000
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	\$247,640,964

This includes the cost of the Hudson River Railroad from New York to Albany, 143 miles, as does also the following line:—

2. *BOSTON AND ALBANY, VIA SUSPENSION BRIDGE, TO CHICAGO.*

Boston to Albany, <i>via</i> Boston and Albany R. R. . . . .	201 miles,
Albany to Suspension Bridge, <i>via</i> N. Y. Central and Hudson River R. R. . . . .	304 “
Suspension Bridge to Detroit, <i>via</i> Great Western R. R. . . . .	229 “
Detroit to Chicago, <i>via</i> Michigan Central R. R. . . . .	284 “
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	1,018 “

## Costing, —

Boston & Albany R. R. . . . .	\$28,212,664
New York Central & Hudson River R. R. . . . .	129,428,300
Great Western Railway of Canada . . . . .	35,000,000
Michigan Central R. R. . . . .	31,316,607
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	\$223,957,571

3. *LOWELL, NORTHERN, AND GRAND TRUNK, TO CHICAGO.*

Boston to Ogdensburg, <i>via</i> Lowell, Northern, etc. . . . .	406 miles.
Prescott to Detroit, <i>via</i> Grand Trunk . . . . .	452 “
Detroit to Chicago, <i>via</i> Michigan Central . . . . .	284 “
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	1,142 “

## Costing, —

Boston to Ogdensburg . . . . .	\$26,953,960
Grand Trunk, from Prescott to Detroit . . . . .	63,280,000
Michigan Central . . . . .	31,316,607
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	\$121,550,567

The cost of the above portion of the Grand Trunk Railway was computed from the cost per mile of that road.

4. *EASTERN AND GRAND TRUNK, TO CHICAGO.*

Boston to Portland, <i>via</i> Eastern R. R. . . . .	107 miles.
Portland to Detroit, <i>via</i> Grand Trunk . . . . .	861 “
Detroit to Chicago, <i>via</i> Michigan Central . . . . .	284 “
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	1,252 “



## Costing, —

Eastern Railroad . . . . .	\$17,302,852
Portsmouth, Saco & Portland R. R. . . . .	1,500,000
Grand Trunk Railway . . . . .	107,000,000
Michigan Central . . . . .	31,316,607
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	\$157,119,459

## 5. HOOSAC TUNNEL AND CANADA SOUTHERN, TO CHICAGO.

Boston to New York State Line, <i>via</i> proposed line	156 miles.
State Line to Niagara River, <i>via</i> proposed line .	319 “
Niagara River to Chicago, <i>via</i> Canada Southern .	484 “
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	959 “

Cost, including double tracking with steel rails, to  
Niagara River, —

Boston to State Line . . . . .	\$34,811,504
State Line to Niagara River . . . . .	19,500,000
Canada Southern . . . . .	35,000,000
Estimated equipment . . . . .	5,500,000
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	\$94,811,504

6. HOOSAC TUNNEL, GREAT WESTERN AND MICHIGAN CENTRAL,  
TO CHICAGO.

Boston to Niagara River, as above . . . . .	475 miles.
Niagara River to Detroit, <i>via</i> Great Western .	224 “
Detroit to Chicago <i>via</i> Michigan Central . . .	284 “
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	983 “

## Costing, —

Boston to Niagara River, as above . . . . .	\$54,311,504
Great Western Railway . . . . .	35,000,000
Michigan Central R. R. . . . .	31,316,607
Equipment . . . . .	2,000,000
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	\$122,628,111

7. *HOOSAC TUNNEL, CLAYTON, AND GRAND TRUNK, TO CHICAGO.*

Boston to Clayton, <i>via</i> proposed line . . . . .	365 miles.
Clayton to connection with Grand Trunk . . . . .	6 "
From fourteen miles east of Kingston to Detroit . . . . .	406 "
Detroit to Chicago, <i>via</i> Michigan Central . . . . .	284 "
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	1,061 "

## Costing, —

Boston to New York State Line . . . . .	\$34,811,504
State Line to Clayton . . . . .	12,540,000
Equipment therefor . . . . .	2,000,000
Clayton to Detroit (Grand Trunk) . . . . .	56,840,000
Detroit to Chicago (Michigan Central) . . . . .	31,316,607
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	\$137,508,111

8. *HOOSAC TUNNEL, CLAYTON, GRAND TRUNK, TO GEORGIAN BAY.*

Boston to Clayton, as above . . . . .	365 miles.
Clayton to Toronto, <i>via</i> Grand Trunk . . . . .	175 "
Toronto to Georgian Bay . . . . .	90 "
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	630 "

The distance from Toronto to Georgian Bay may be reduced from ninety miles to seventy miles.

## Costing, —

Boston to Clayton, and equipment, as above . . . . .	\$49,351,504
Clayton to Toronto . . . . .	24,500,000
Toronto to Georgian Bay . . . . .	3,500,000
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	\$77,351,504

9. *RAIL AND WATER LINE FROM BOSTON TO GEORGIAN BAY.*

Boston to Lake Ontario, as proposed . . . . .	335 miles.
Across Lake Ontario to Toronto . . . . .	130 "
Toronto to Georgian Bay (see above note) . . . . .	90 "
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	555 "



## Costing, —

Boston to New York State Line . . . . .	\$34,811,504
State Line to Lake Ontario . . . . .	10,740,000
Equipment . . . . .	3,000,000
Steam barges on Lake Ontario . . . . .	2,000,000
Toronto to Georgian Bay . . . . .	3,500,000
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	54,051,504

This forms the shortest and cheapest route from Chicago and the Northwest to the seaboard, and over it Boston can compete on favorable terms with any seaboard city for export trade.

New York has maintained her superiority in the past, as a port of export of the cereals of the West, through the competition existing between her rail and water routes to the points of supply in the West.

In this competition the Erie Canal, owned and operated by the people, has played a most important part by rendering combination impossible during six months of the year.

## BILL.

## Commonwealth of Massachusetts.

*In the Year One Thousand Eight Hundred and Seventy-Five.*

## AN ACT

TO INCORPORATE THE BOSTON AND CHICAGO RAILWAY TRUST COMPANY.

*Be it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows:—*

1 SECTION 1. Thirty corporators, and their suc-  
2 cessors to be appointed by the Legislature, as  
3 hereinafter provided, are hereby made a corpora-  
4 tion by the name of the Boston and Chicago Rail-  
5 way Trust Company, for the purpose of holding  
6 and operating, and they are hereby authorized  
7 and empowered to hold and operate for the per-  
8 petual benefit of the people of this Common-  
9 wealth, the Hoosac Tunnel, the Troy and Green-  
10 field and the Southern Vermont Railroads, and  
11 are hereby invested with all the rights, franchises,  
12 interests, claims, equities, property and estate  
13 which the Commonwealth has in and to the Troy  
14 and Greenfield and the Southern Vermont Rail-  
15 roads, and any contracts, leases or agreements  
16 relating thereto, and shall hereafter hold, control,  
17 manage and operate the same, together with any  
18 and all other real estate of which they may become  
19 possessed or entitled to in pursuance of this act;  
20 and all balances of appropriations for the comple-



tion of said property shall be expended under the supervision of this corporation; and they are hereby authorized and empowered to acquire the roads, franchises, estates, rights and privileges of the following-named railroad corporations, viz.: the Fitchburg, the Boston and Lowell, the Vermont and Massachusetts, the Massachusetts Central, and the Troy and Greenfield, and the roads, estates, franchises, rights and privileges of such other corporations as may be required in order to perfect a line of railway from Boston to Lake Ontario; and, two-thirds of said corporators consenting, they are hereby authorized and empowered to contract with or hire any other roads that may be required in order to reach the points of competition from Chicago, and to operate the same.

SECT. 2. The first five persons named herein as corporators, or a majority of said five persons, shall, within sixty days from the passage of this act, call a meeting of said corporators, for the purpose of organizing a trust company, by giving to their associates, through the mail, at least five days' notice of the time, place and purpose of said meeting. The presence of twenty of said corporators at any meeting thereof shall be necessary to constitute a quorum, but a less number may adjourn from time to time.

SECT. 3. At said meeting, the corporators shall choose separately, by ballot, a president, treasurer, clerk and a board of five directors; prescribe their duties, fix their salaries, and determine

5 the amount of the bonds to be required of the  
6 treasurer; but no corporator shall be eligible to  
7 the office of president, treasurer or clerk of this  
8 corporation.

9 The official bonds given by the treasurer shall  
10 be entered of record in the office in the corpora-  
11 tion, and deposited for safe-keeping in the office  
12 of the treasurer of the Commonwealth.

1 SECT. 4. The president, treasurer and clerk  
2 shall be duly sworn to the faithful discharge of  
3 the duties of their respective offices, and shall  
4 hold the same until removed by a vote of the  
5 corporators.

6 The president and the clerk, so chosen, shall act  
7 as the president and the clerk of the board of  
8 directors, and at all meetings of the corporators  
9 the president shall have the casting vote in case  
10 of a tie.

11 The president and treasurer shall not engage in  
12 any other business during their continuance in  
13 office. The annual returns required by law shall  
14 also include a full transcript of the record of the  
15 transactions of the corporation during the year.

1 SECT. 5. The board of directors shall be  
2 chosen by the corporators from their own num-  
3 ber, and shall hold their offices for one year, or  
4 until others are chosen in their stead.

5 The board of directors, together with the  
6 president, shall have charge of the executive du-  
7 ties of the corporation, and shall be vested with all  
8 the powers necessary to carry into effect the provis-



9 ions of this act, which are not otherwise expressly  
10 conferred upon the corporators. Four directors  
11 shall constitute a quorum, but all votes, except for  
12 adjournment, shall be unanimous, and shall receive  
13 the assent of the president before they shall have  
14 effect.

15 In case of a division among the directors, it  
16 shall be the duty of the president, upon the writ-  
17 ten request of any director, to call a special meet-  
18 ing of the corporators for the purpose of deciding  
19 the questions at issue, and the notice of said  
20 meeting shall state the business for which it is  
21 called. Final action shall be taken upon any such  
22 questions within thirty days.

1 SECT. 6. Upon the organization of the cor-  
2 poration, the corporators shall, by lot, divide their  
3 number into six divisions, containing five mem-  
4 bers each, and each division shall hold office for  
5 one, two, three, four, five or six years respectively,  
6 accordingly as they shall be drawn.

7 And at some time in the month of January of  
8 each year, the Legislature shall elect, by ballot, in  
9 joint convention, five citizens of this Common-  
10 wealth as corporators, who, at the next annual  
11 meeting shall take the place of the five corporators  
12 whose term will then expire, and shall hold their  
13 places for the term of six years; and the Legis-  
14 lature shall also then and in like manner elect  
15 corporators to fill any vacancies that may then  
16 exist in the number of said corporators; but no  
17 member of the Legislature shall be eligible as a  
18 corporator or as an officer of said corporation; and

19 if any corporator or any officer of this corporation  
20 shall become a member of the Legislature, his  
21 place in this corporation shall thereby become  
22 vacant.

23 In the election of corporators the Legislature  
24 shall make such a choice that one-half of the num-  
25 ber shall be residents of the city of Boston or its  
26 vicinity.

1 SECT. 7. This corporation shall hold its annual  
2 meeting on the first Wednesday in the month of  
3 June, and its semi-annual meeting on the first  
4 Wednesday of December, in each year, and at  
5 such hour and place as the corporators may de-  
6 termine; at which meetings semi-annual dividends  
7 may be declared; *provided, however*, that no divi-  
8 dend of more than three per cent. in gold, or its  
9 equivalent, shall be paid, except to make up a  
10 deficiency below that sum in previous dividends.

1 SECT. 8. This corporation shall have all the  
2 powers and privileges, and be subject to all the  
3 duties, restrictions and liabilities set forth in the  
4 general laws now in force relating to railroad cor-  
5 porations, except so far as said laws may be incon-  
6 sistent with the provisions of this act.

7 And, as to each of the lines of railroad which it  
8 may acquire under this act, this corporation shall  
9 also have all the rights, powers and privileges  
10 given to said railroad corporations, respectively,  
11 by their charters; *provided, however*, that this  
12 corporation shall not make any mortgage of its  
13 property, nor issue any notes or bonds.



14 In case the Legislature shall hereafter authorize  
15 an increase of the capital stock of this trust  
16 company, one-half of one per cent. thereof shall  
17 be paid semi-annually to the treasurer of the Com-  
18 monwealth, and added to the sinking fund herein  
19 provided for; and no dividend shall be declared  
20 until such semi-annual payment shall have been  
21 made.

1 SECT. 9. This corporation is hereby authorized  
2 to sell or to exchange with any other railroad cor-  
3 poration any real estate not needed for its own  
4 purposes, two-thirds of the corporators assenting  
5 thereto.

1 SECT. 10. This corporation shall also have  
2 the right to purchase and hold, as hereinafter pro-  
3 vided, the stock, bonds and other claims against  
4 each of the said railroad corporations, and in re-  
5 spect to the stock of said corporations, or to any  
6 bonds or claims against them which this corpora-  
7 tion shall purchase, it shall have all the rights and  
8 powers of the parties selling the same; and shall  
9 also have the right to vote at any meeting of either  
10 of said corporations, or of the bondholders, on all  
11 shares of stocks and bonds which it shall have  
12 purchased.

1 SECT. 11. The capital stock of this trust  
2 company shall be thirty-five millions of dollars, to  
3 be divided into shares of one hundred dollars each,  
4 which shall entitle the holders thereof to a  
5 dividend of three dollars per share semi-annu-

6 ally, in gold, or its equivalent, from the net  
 7 earnings of the company, to January, nineteen  
 8 hundred. One-half of one per cent. of the stock  
 9 issued by this corporation shall be paid semi-annu-  
 10 ally to the treasurer of the Commonwealth in trust  
 11 as a railroad sinking fund; and he shall, on the  
 12 receipt of each semi-annual payment, invest the  
 13 same in the purchase of outstanding stock of this  
 14 corporation; *provided*, he can do so by paying  
 15 therefor not more than the par value thereof, and  
 16 fifteen per cent. premium. But before making  
 17 such purchase he shall give suitable public notice  
 18 of the time and place when and where he will  
 19 receive offers of said stock, and of the amount of  
 20 money to be so invested; and of the stock so  
 21 offered, he shall take the lowest bids within the  
 22 limit above specified. In case he cannot pur-  
 23 chase within said limit, he shall invest the funds  
 24 in such securities as the governor and council  
 25 shall approve, till such time as the stock aforesaid  
 26 can be so purchased.

27 In the month of January of the year nineteen  
 28 hundred, the Commonwealth will take all the  
 29 shares of the capital stock of this corporation  
 30 which it shall not have previously acquired, and  
 31 will pay therefor one hundred dollars per share,  
 32 and will also then pay any deficiency in the amount  
 33 of dividends, at the rate of three dollars semi-  
 34 annually, in gold, or its equivalent, with interest  
 35 thereon.

1 SECT. 12. This trust company shall not sell  
 2 any of its stock at less than one hundred dollars  
 3 per share, in cash, and it shall pay:



4 (1.) To the State, for the Hoosac Tunnel, and  
 5 Troy and Greenfield and the Southern Vermont  
 6 Railroads, sixty thousand shares; and as soon as  
 7 said Hoosac Tunnel shall have been completed,  
 8 the Commonwealth shall convey all its right,  
 9 title and interest in said property to this corpora-  
 10 tion, and thereupon this trust company shall issue  
 11 to the treasurer of the Commonwealth the afore-  
 12 said sixty thousand shares of stock.

1 (2.) For the stock of the Boston and Lowell  
 2 Railroad Corporation, not more than one hun-  
 3 dred and twenty dollars per share, estimated at  
 4 one hundred dollars each, nor more than their par  
 5 value and accrued interest for the bonds and other  
 6 claims held against that corporation.

1 (3.) For the stock of the Vermont and Massa-  
 2 chusetts Railroad Company, not more than one  
 3 hundred dollars per share, and for the bonds and  
 4 claims against said company, not more than the  
 5 amount due thereon.

1 (4.) For the stock of the Massachusetts Cen-  
 2 tral Railroad Company, not more than one hun-  
 3 dred dollars per share, and for any claims or liens  
 4 against that company not more than the amount  
 5 due thereon.

6 This corporation is hereby authorized to pur-  
 7 chase the franchise, rights and privileges of the  
 8 Fitchburg Railroad Company at rates not exceed-  
 9 ing those reserved by the State to itself in the  
 10 charter of that company; and for that purpose this  
 11 company is hereby invested with all the rights re-  
 12 served by the State to itself for the taking of said  
 13 property. But if the said two companies fail to

14 agree as to the amount so to be paid, then, upon  
 15 the petition of the Boston and Chicago Railway  
 16 Trust Company, the Supreme Judicial Court shall  
 17 determine the amount so to be paid to the Fitch-  
 18 burg Railroad Company, and enforce a specific  
 19 performance of the provisions in the charter of  
 20 that company relating to the purchase of the said  
 21 property by the State.

22 The remaining shares may be issued from time  
 23 to time as may be necessary to complete and  
 24 equip the said tunnel and railroads.

25 All the stock, bonds and claims acquired by  
 26 this corporation, as herein provided, shall be  
 27 deposited with the treasurer of the Common-  
 28 wealth, to be held by him in trust for this cor-  
 29 poration.

1 SECT. 13. In case of the purchase of the road,  
 2 franchise and property of the Fitchburg Railroad  
 3 Company as herein provided, that company shall  
 4 not pay over any dividend of the purchase-money  
 5 or stock of this corporation to any stockholder,  
 6 except upon an assignment and transfer by such  
 7 stockholder of his shares to this corporation.

1 SECT. 14. Each certificate of stock of this cor-  
 2 poration shall be signed by the president and by  
 3 the treasurer, and countersigned by the treasurer  
 4 of the Commonwealth, and shall contain a state-  
 5 ment of the conditions that the stockholders are  
 6 entitled to a semi-annual dividend of three dollars  
 7 per share, in gold, or its equivalent, and that in  
 8 January, nineteen hundred, the Commonwealth  
 9 will purchase said shares, and pay therefor \$100  
 10 per share, and any deficiency in said dividends,



11 with interest thereon, as provided in this act; and  
 12 shall contain a condition that the holder of the  
 13 certificate will sell and transfer to the Common-  
 14 wealth the shares represented by the certificate  
 15 at the time and upon the terms above specified;  
 16 *provided, however*, that the treasurer of the Com-  
 17 monwealth shall not countersign any certificate  
 18 until he shall have satisfactory evidence that the  
 19 equivalent therefor, as fixed by this act, has been  
 20 paid into the treasury of this corporation.

1 SECT. 15. In all contracts made by this corpo-  
 2 ration to hire any of the roads authorized by this  
 3 act provision shall be made for the payment semi-  
 4 annually to the Treasurer of this Commonwealth  
 5 as a sinking fund, for the benefit of this trust  
 6 company, one-half of one per cent. of the value  
 7 of said road as fixed in said lease; and he shall,  
 8 on the receipt of each semi-annual payment, in-  
 9 vest the same in the purchase of outstanding  
 10 stock or bonds of the company in whose be-  
 11 half the payment is made; provided he can do  
 12 so by paying therefor not more than the par  
 13 value of said stock or bonds and fifteen per cent.  
 14 premium.

15 In case said stock or bonds cannot be pur-  
 16 chased as aforesaid, he shall invest the money as  
 17 provided for in Section eleven of this act.

1 SECT. 16. Savings banks, banking institutions,  
 2 insurance companies, and persons holding funds  
 3 in trust, are hereby authorized to invest said  
 4 funds in the stock of this corporation, or in the

5 stock or bonds of any road hired by it, at rates  
6 not exceeding fifteen per cent. premium.

1 SECT. 17. This corporation shall have the right  
2 to issue transferable receipts for storage, insur-  
3 ance, and transportation of freight at fixed rates;  
4 and such rates shall not be increased until the ex-  
5 piration of twelve months' public notice of the  
6 proposed change.

1 SECT. 18. The property of the corporation shall  
2 not be subject to any State, county, city or town  
3 tax; but each shareholder, except the Common-  
4 wealth, shall be liable to taxation in the same  
5 manner as for like property.

1 SECT. 19. Whenever the Commonwealth shall  
2 have acquired the whole stock of this corpora-  
3 tion, as herein provided, it shall be the duty of  
4 this corporation to fix its charges for transport-  
5 ing freight and passengers at such rates as, to-  
6 gether with any other sources of income it may  
7 have, will pay the working expenses of the cor-  
8 poration, and keep the roads in repair, and no  
9 more, unless the Legislature, for the purpose of  
10 extending the facilities of the corporation to do  
11 business, or to acquire or build other roads, shall  
12 authorize higher rates.

1 SECT. 20. As soon as this corporation shall  
2 have acquired said railroads, it shall have power  
3 to lessen the grades and straighten the line of  
4 said roads at such points as it may deem expedi-  
5 ent for the purposes of this act; and as soon as it



6 shall have obtained control of the Massachusetts  
7 Central Railroad, it shall complete and extend  
8 said road to Shelburne Falls from such point as  
9 two-thirds of said corporators shall determine  
10 upon.

1   SECT. 21. This corporation is hereby required  
2 to keep alive the organizations of the various rail-  
3 road companies named in the first section of this  
4 act until such time as the Legislature shall other-  
5 wise direct.

1   SECT. 22. This corporation shall furnish equal  
2 facilities for the transportation of freight and pas-  
3 sengers to all connecting roads, and shall receive  
4 its pro rata part per mile of the charges and fares  
5 therefor; *provided, however*, that such connecting  
6 roads shall enter into a written agreement that  
7 the gross charge for the transportation of passen-  
8 gers and freight from any point beyond the west-  
9 ern line of this State to the city of Boston shall  
10 not exceed the gross sum that may be charged on  
11 any contiguous line of road from such western  
12 points to the city of New York, and that the  
13 gross charge to any intermediate point within this  
14 State shall not exceed the gross charge for through  
15 business.

1   SECT. 23. This corporation shall not make or  
2 enter into any special contracts for the transpor-  
3 tation of freight or passengers, nor employ any  
4 officer or agent interested in any car or other  
5 company having such special contracts.

1    SECT. 24. This act shall take effect upon its  
2 passage.

The above is respectfully submitted.

OTIS CLAPP,	}	<i>Board of Directors.</i>
JOHN B. TAFT,		
EDWARD CRANE,		
A. P. BLAKE,		
R. A. BALLOU,		

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The building of the Boston and Chicago Railway, by way of Niagara river, will provide for a connection with Troy, by a line of railway now in operation, and by building a branch of about sixteen miles in length from its main line, at a cost not exceeding \$600,000, will furnish a connection with the Erie canal at Schenectady; and by means of the Schenectady and Duanesburg Railroad, with Binghampton on the Erie Railway, and with the Delaware and Hudson Canal Companies' coal mines. The distance from Boston to Schenectady is 197 miles; that from Schenectady to Binghampton, 130 miles, and that from Schenectady to the coal mines, 127 miles. By this connection with the Erie Canal, the most tedious and expensive portion of canal navigation is avoided, viz.: that portion from Schenectady to Albany, which is but thirty miles in length, and has twenty-four locks in that distance.

At the crossing of the Rensselaer and Saratoga Railroad a shorter connection, by at least thirty miles, is established between Saratoga and Boston, than the one now in operation.



At the crossing of the Utica and Black river Railroad a direct connection is made with Utica.

By building a branch of about sixty miles to Clayton, with easy grades, through an open farming country, at a cost not to exceed \$2,000,000, the shortest and best connection with the Grand Trunk Railway is obtained, as well as a connection with probably the best harbor on Lake Ontario. By means of this connection with the Grand Trunk, an all-rail communication is established with Chicago, as shown in line Number 7, described elsewhere, and a rail connection with Georgian Bay, as shown in line Number 8.

By constructing a branch, about forty miles in length, at a cost not exceeding \$1,600,000, the shortest route to the east end of Lake Ontario is obtained, and a rail and water communication opened with Georgian Bay, as shown in line Number 9, also by means of railroads now running, the shortest line to Oswego is formed.

At the crossing of the Rome, Watertown and Ogdensburg road, a connection with the city of Rome will be established.

At the crossing of the New York and Oswego, Midland, and the Oswego and Syracuse railroads, a second connection will be made with Oswego, distant from the main line about fourteen miles; also a connection with Syracuse.

At the crossing of the Syracuse Northern Railroad the best connection with Syracuse is made.

At the crossing of the Southern Central Railroad, connection is formed with Lake Ontario at Fairhaven, distant not over two or three miles, where there is a harbor second only to that of Clayton. This cross-

ing also furnishes a connection with Auburn and with the Lehigh Valley Coal Mines. The easy grades and curves of the Southern Central make it one of the most important coal roads leading to the lake.

At the crossing of the Genesee river a rail connection is formed with Rochester, distant about seven miles, and with the lake.

By the construction of a line not exceeding thirty miles in length, through an open farming country, starting from a point about thirty miles east of Niagara river, a connection is made with Lake Erie at Buffalo, and, by means of the Buffalo and Jamestown Railroad, a connection is made with the Atlantic and Great Western Railway twenty miles west of Salamanca, and with the oil regions. The cost of this line will not exceed \$1,000,000.

Niagara river is to be crossed by this line from Lewiston to Queenstown over a truss bridge with six hundred feet span, and a connection is made at the latter point with the Canada roads leading to the west. By adopting this crossing the heavy grades leading up to Suspension Bridge are avoided.

The entire cost to Chicago, including branches, will be: —

Main line (see line Number 5)	.	.	.	.	\$94,811,504
Schenectady Branch	.	.	.	.	600,000
Clayton Branch	.	.	.	.	2,000,000
Lake Ontario Branch	.	.	.	.	1,600,000
Buffalo Branch	.	.	.	.	1,000,000
					<hr/>
					\$100,011,504

The Boston and Chicago line, when completed, with its connections and branches as proposed, fur-



nishing as it does the best means of supplying freight to the New England States, having no more than its fair share of freights for export, will have an amount of tonnage not surpassed by any railroad between Chicago and the seaboard, and will stand second to none as a line for both local and through passenger business. This business being assured it, costing less than one-half of the present price of New York's best line, with its dividends limited by law to six per cent., it will be enabled to furnish the utmost cheapness in transportation, and will hereafter be the great regulator of the rates of fare and freight between the East and the West.

While this line will certainly incur the opposition of New York city capitalists, a body-guard of public opinion will be created around it in Northern and Western New York strong enough to protect all its interests from any disturbance in that State.

The Baltimore and Ohio Railroad, working for the same ends, — cheap travel and transportation, — will become the natural ally of this line, and will, with it, furnish security to the citizens of the West that they will be enabled to reach the seaboard without paying tribute to lines of railway whose cost has been inflated an amount equal to the original expenditure upon the property, and will furnish to our own manufacturing interests reliable cheap freights for their raw material, with return freights at a nominal charge.

The owners of real estate in the city of Boston alone could afford to guarantee the entire capital for the construction of this line in return for the benefits they will receive in the enhanced value of their property.



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The Commonwealth itself, within the first five years of the opening of this line, will realize from the increased value of the flats in the city of Boston more than all it has spent on the Hoosac Tunnel, and its loan to the Boston, Hartford and Erie Railroad, by the creation of a successful foreign commerce, which begets a thriving coastwise trade that will utilize the wharf property now adapted for it, and employ all the capacity of the State flats with the increase of business which will grow out of a reliable and cheap communication with the West.

The certainty of the payment to the State treasury of the amount provided for in this bill to create a sinking fund, which will ultimately make the State the owner of this entire line of railway, of itself should secure the passage of this bill.

By order of the Board of Directors.